

LOUISIANA SHRIMP TASK FORCE

MINUTES

September 14, 2009

ROBERT BARHAM
CHAIRMAN

LOUISIANA ROOM
LOUISIANA DEPARTMENT OF WILDLIFE & FISHERIES
2000 QUAIL DRIVE
BATON ROUGE, LOUISIANA

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of 9/8/09 Minutes
- IV. Update on Advisory Panels
- V. Enforcement of Regulations – Update from Attorney General’s Office
- VI. Marketing/Branding
 - a. Louisiana Seafood Marketing and Promotion Board Presentation
 - b. Louisiana Restaurant Association
- VII. Short-term Solutions – Disaster Recovery Update
 - a. Cooperative Research Program
 - b. Gustav/Ike Disaster Recovery Program
 - c. CDBG Update
- VIII. Other Agency Updates
- IX. Set Next Meeting Date
- X. Public Comment

MINUTES OF THE MEETING

OF

THE LOUISIANA SHRIMP TASK FORCE

Monday, September 14, 2009, 1:30 PM

Randy Pausina, Louisiana Department of Wildlife & Fisheries, presiding.

Jody Montelaro – Louisiana Governor’s Office
Dr. Mike Strain – Louisiana Department of Agriculture and Forestry
Kelsey Short – Louisiana Department of Economic Development
Cathy Breaux – Louisiana Workforce Commission
Stacy Deblieux – Louisiana Attorney General’s Office
David Gilbeau – Louisiana Department of Health and Hospitals
Kris Van Orsdel – Louisiana Recovery Authority

Role was called and all members present

Randy Pausina noted that representatives from Senator Vitter, Senator Landrieu, Congressman Melancon, Congressman Scalise, and Congressman Boustany and Lt. Governor Mitch Landrieu’s offices were present. Representatives Gisclair and Billiot were present in person.

Motion was made by Dr. Strain to approve minutes from the 9/8/09 meeting. Motion seconded by Cathy Breaux. Motion carried unanimously.

Stacy Deblieux from the Louisiana Attorney General's Office reviewed state statutes and rules governing shrimp packaging and testing and said that presently there are no LDWF shrimp packaging statutes but the Department of Health and Hospitals may inspect foods including mislabeled products and the Department of Agriculture has specific regulations for shrimp including levels and methods of testing shrimp and labeling. She also mentioned that the Seafood Safety Task Force will begin to meet in January of 2010.

Dr. Mike Strain from the Louisiana Department of Agriculture and Forestry said that his department is currently under a permanent injunction preventing them from enforcing chloramphenicol testing.

A member of the audience asked if this could be changed via state law.

Dr. Strain said that it could.

Kris Van Orsdel then asked David Guilbeau if the Task Force could get a report on the number of LDHH inspections there have been and how frequently they were done. He asked for this report to be available to Task Force members at the next meeting. David Guilbeau confirmed that he would supply the requested information.

Randy Pausina asked to move the Disaster Programs Update up in the agenda.

Joe Shepard from the Louisiana Department of Wildlife and Fisheries (LDWF) gave an update on the Gustav/Ike program. To date \$700,000 has been sent to approximately 200 people and \$1.9 million will be going out shortly. The contractors for the program have been contacted and asked to increase their staff to increase output.

Kim Chauvin asked about the length of time it takes to get payments out.

Joe Shepard explained that work was being done to increase output but that the process involves more than one step. All of the information submitted must be verified by the Department's contractor South Central Planning and Development (SCPDC), verified again by LDWF staff, checks requested from a second contractor, checks sent to LDWF, checks signed at LDWF, and finally mailed for payment.

Cathy Breaux asked about the average size of payments.

Joe Shepard explained that it depends upon the individual qualifying tier.

Karen Foote from the LDWF spoke about the Cooperative Research Program. To date the program has paid out over \$750,000 with more to come soon. She also explained that the deadline for returning materials has been extended by three months from September 30 to

December 31, 2009 to get maximum participation from the fishers and dealers. Karen Foote explained that this program involves review of a detailed survey filled out by the fisher or dealer.

Kim Chauvin asked how many surveys are being approved per week and how many applications were initially sent.

Karen Foote answered that about 100 surveys were approved per week. Over 4,000 letters were sent to eligible parties, 3200 responded that they wanted to participate and these participants all received surveys to complete. To date, about half of those surveys have been submitted (1600) and 120 have been approved for payment. Approximately 50% of the funds are for the shrimp industry. She also noted that for both programs LDWF runs individuals through the Department of Social Services to ensure any delinquent in child support are identified.

Clint Guidry stated that a proactive system should be set up to get these sorts of checks out quicker and that the current procedure is not addressing the disaster situation fast enough.

Cathy Breaux asked how long the surveys are and what the maximum payments are.

Karen Foote answered that some surveys are longer than others depending on the fisher or dealer's tier. The maximum payment for a top tier dealer is over \$43,000 and over \$3,500 for fishermen.

Randy Pausina explained that these programs are complicated and have strings attached from the federal level. The department is also required to make the programs auditable on a state and federal level.

Kim Chauvin asked about what happens to leftover funds from these programs.

Randy Pausina explained that funds will be re-distributed to participants when possible. He also mentioned that ideas for the re-distribution of leftover funds may be submitted to the task force.

Dr. Mike Strain mentioned that on his visit to Washington D.C. last week he met with several members of the LA congressional delegation and they were aware of problems, attentive, eager to help and waiting on the Task Force's report.

Dean Blanchard explained that funding does not arrive promptly enough to be of use. The fishermen need fuel and ice immediately to get back out on the water and suggested that in the future government provide vouchers or something to get fishermen back on the water. He questioned return of the additional fees assessed by LDWF for support of the Southern Shrimp Association (SSA) sponsored anti-dumping petition and the Cooperative Endeavour Agreement between the State and SSA.

Stacy Deblieux of the Attorney General's Office said that she would look into this.

Randy Pausina mentioned that the Task Force web site is now up and folks are welcome to visit it regularly to get updates about disaster relief funds.

Kris Van Orsdel suggested that the Task Force write NOAA to request that LDWF be allowed to release cooperative research survey payments before the final review of the surveys.

Karen Foote explained that any changes would have to be approved by legislative auditors.

Motion was made by Dr. Strain to contact NOAA about release of co-op funds upon receipt and initial review for completeness of document pending proper approval of legislative auditors. Seconded by Jody Montelaro. Motion passed unanimously.

Clint Guidry explained that the recovery programs are not perfect but progress is being made but if government listens we can get a good plan.

Kris Van Orsdel gave a presentation from the Louisiana Recovery Authority. The presentation is available in full on the Authority's website

(<http://ira.louisiana.gov/assets/docs/searchable/Gustav%20Ike/DRU%20docs/FisheriesProgram.pdf>) and covered four programs currently running or in development. A Commercial Fisherman Grant and Loan program exists to aid in recovery from hurricanes Gustav and Ike. A Gear Technology program will make upgrades of equipment available to commercial fishermen. A Wholesale Dealer/Broker program will enable participants to modernize operations. And the Coastal Community Fisheries Recovery program will allow mayors and parish presidents to access and distribute funds as needed. The Loan program will offer a very attractive interest rate of only 1.5% to participants.

A.J. Fabre questioned loan terms and stated a need for repayment terms longer than 60 months.

Kim Chauvin asked if refrigeration would be available for the shrimp fleet.

Kris Van Orsdel responded that the shrimp fleet would have that opportunity.

Clint Guidry asked for access to the presentation.

Ewell Smith gave a presentation from the Louisiana Seafood Promotion and Marketing Board. The Board currently has audio spots (each was played for the Task Force), a billboard on I-10 between Baton Rouge and New Orleans, and a Food Network show appearance. Coming soon will be a John Folse TV appearance, an overhaul of the website, shrimp education day in October, work with local restaurants, and contact with buyers from outside Louisiana and outside the US. He also presented a slide show including pictures from a seafood show in Brussels, Belgium and the page from the Williams Sonoma catalogue from Anna Marie Shrimp.

Marie Breaux, a trademark law professor and an attorney for Milling Benson Woodward L.L.P., explained that Louisiana could certify shrimp in a similar way that Angus beef or Florida citrus is certified. She explained that a premium seafood product with a reputation for and guarantee of quality will fetch a premium price much greater than the current commodity price of Louisiana shrimp.

Charlie Smith said legislation is needed to prevent false advertising of product as Louisiana shrimp.

Marie Breaux explained that some laws exist at present. The Lanham Act prohibits a number of activities, including trademark infringement, trademark dilution, and false advertising. This Act could aid in keeping foreign shrimp from being falsely advertised as Louisiana shrimp, but at this time Louisiana shrimp is not defined.

Representative Billiot asked Ewell Smith if the Brussels show was a wake-up call, how long it would take to implement such a venture, and how much it would cost. He also requested live coverage of Task Force meetings.

Ewell Smith answered that the Board has been working toward the goal of presenting in Brussels for 4 or 5 years, the key to it working is inspection, and he is not sure exactly what the costs would be.

Randy Pausina reported that there will be a Shrimp Harvester Advisory Panel meeting and a Shrimp Processor Advisory Panel meeting next Monday at LDWF headquarters, but the times and official announcement will be in a press release on September 15, 2009.

Dr. Mike Strain said that to participate in the Brussels show Louisiana shrimp industry needs to be organized, have plenty of products to sell, and that key industry leaders attend.

Kim Chauvin said that we lack standards for shrimp and expressed concern regarding comingling and the port in New Jersey letting too much into the country. She states "There are no standards for use of tripolyphosphates."

Dr. Mike Strain said that customs can be re-worked but we need to brand a Louisiana product and assure quality and there is a project at Louisiana State University working on this now.

Kim Chauvin expressed concern that money trickle down to shrimp fishermen.

Dr. Mike Strain agreed and said an agreement for fair pay would be needed.

Dean Blanchard stated that there are 20,000 lbs of WASI labeled shrimp that's foreign in Delcambre right now and said that Louisiana needs to show the quality of our product versus foreign shrimp using a negative publicity campaign to show the hazards of foreign shrimp.

Dean Blanchard, A.J. Fabre, and Ronnie Anderson said that an exposé should be done on the subject of foreign shrimp and comingling.

Ewell Smith expressed concern that a negative advertisement would work too well and make consumers stop buying all shrimp.

Ronnie Anderson asked about what happened to "Wild American Shrimp".

Ewell Smith explained that it fell apart but Louisiana should have its own program, designed for Louisiana.

Ronnie Anderson asked about antibiotics testing issues. Mr. Anderson suggested that other chemicals be tested for instead.

Jody Montelaro asked Ronnie Anderson to give the information about chemicals to the panel.

Kris Van Orsdel said that there is a need to target the port or ports where foreign shrimp come into the country and target customs inspections there.

Task Force panel member updates. Dr. Mike Strain wants to work on copywriting, testing, and suggested sending a letter to large chain stores asking them to buy Louisiana shrimp. Dr. Strain also noted that both federal and state regulations “need to get straight” and we need to urge FDA to step-up testing.

Motion was made by Dr. Strain to send letter to major buyers strongly encouraging them to purchase and re-sell Louisiana product. Seconded by Jody Montelaro. Motion passed unanimously.

Kelsey Short from the Department of Economic Development stated that the Secretary of the agency was ready to put up seed money for branding and quality standards. He also said that long and short term goals need to be industry driven and that the Department of Health and Hospitals has a Seafood Safety Board already that plans to meet on September 23, 2009.

David Guilbeau from DHH spoke of his agency’s inspection process.

Mike Dickson, Inspector Chief, Department of Justice, stated that they were looking into comingling.

Cathy Breaux, Work Force Commission, stated their support for the industry.

Motion was made by Kris Van Orsdel that the next meeting is to be held at 1:30pm on September 28, 2009. Seconded by Mike Strain. Motion passed unanimously.

Public Comment

Representative Gisclair said that we need to present ourselves well at these meetings and maintain self-control to make progress on these issues.

A.J. Fabre explained that frustrations are due to a lack of progress in the industry.

Charlie Smith expressed the need for federal and state legislation and adequate supplies to deliver if Louisiana gets organized to sell shrimp. Mr. Smith also mentioned the idea of making more talk show appearances.

Ronnie Anderson asked the panel to try his idea of running a negative ad campaign on foreign shrimp.

Dr. Mike Strain motion to adjourn. Unanimous approval.

Meeting adjourned at 4:17 p.m.